

MINUTES

RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS' MEETING

June 17, 2011

The 302nd meeting of the Rhode Island Higher Education Assistance Authority was held Friday, June 17, 2011, in the McKenna Conference Room, 560 Jefferson Blvd., Warwick, RI. Chairman Santoro called the meeting to order at 10:20 a.m.

Board Members in Attendance:

Dr. Anthony J. Santoro, Chairman

Dr. William Croasdale, Vice Chair/Treasurer

Mr. John Howell, Secretary

Mr. Joshua Brumberger, designee for the General Treasurer Gina Raimondo

Mr. Solomon A. Solomon

Board Members Absent:

The Honorable Robert J. McKenna

Ms. Patricia Doyle

Also Attending:

Mr. Charles P. Kelley, Interim Coordinating Officer
Ms. Gail Mance-Rios, Deputy Director
Mr. Joseph Palumbo, Esq., Legal Counsel
Mr. Marc Lacroix, Chief Financial Officer
Mr. Peter Kerwin, Chief Program Development
Mr. Michael Joyce, Director Scholarship & Grants
Ms. Dana Peterson-Fatuda, Assistant Administrative Officer
Mr. Charles Miller, Chief Information Officer
Ms. Kathleen Sisson, Director, WaytogoRI
Ms. Linda Makhlouf, Director, Human Resources
Mr. Gregory Silva, Public Relations Manager
Mr. Noel Simpson, RISLA

1. Approval of the Minutes of the Board of Directors' meeting held on February 18, 2011 was unanimously approved. The Minutes of the Board of Directors' meeting held on May 13, 2011 were not approved. Attorney Joseph R. Palumbo will review those minutes before they are approved by the Board.

2. Chairman's Report: No report

3. Interim Coordinator's Report: No report

Chairman Santoro made a motion to go into executive session pursuant to RIGL 42-46-5 § (a) (7) Investment of Public Funds. Motion was seconded by Mr. Howell.

Voted in favor: Dr. Croasdale, Mr. Solomon A. Solomon, and Mr. Brumberger, General Treasurer's designee.

Voted against: None

The Public session resumed at 10:50 a.m. Chairman Santoro stated that no votes were taken.

4. Financial Report – Mr. Lacroix stated that the RFP for Default Aversion requires more discussion.

5. Investment Report – Dr. Croasdale thanked Mr. Robert Weygand for his services on the New England Board of Higher Education (NEBHE).

6. Scholarship/Grants – Mr. Joyce stated that the Governor's proposed budget allows for an average \$700 grant.

The Board asked Mr. Joyce to find out how much money other states are awarding to grant recipients. Mr. Joyce will provide that

information by August 2011.

Upon motion duly made by Mr. Howell and seconded by Dr. Croasdale, it was unanimously VOTED:

To approve the State Grant formula providing an average grant of \$700 for academic year 2011-12.

7. VFA Proposal – Ms. Mance-Rios stated that the Voluntary Flexible Agreement (VFA) stems from an RFP from the Department of Education. The Department is looking at ways to consolidate guarantee agencies or combining services such as Collections, Default Aversion, Outreach and Lender Oversight.

Mr. Kelley stated that Department is trying to avoid conflicts of interest. Mr. Kelley stated that if the Board chose to proceed with entering into the VFA it could change the nature of the guaranty agency. For example, outreach or default prevention would preclude RIHEAA from doing collections to avoid conflicts.

Mr. Kelley stated that RIHEAA makes substantially all of its net guaranty agency revenue from collections on defaulted loans. What the Federal Government plans to pay RIHEAA is unknown. Mr. Kelley stated that the proposals are due August 1, 2011. Guaranty agencies are not required to submit a response to the RFP and if a response is submitted it is non-binding.

Mr. Kelley stated that at the next Board meeting he will provide an update on this matter.

8. CollegeBoundfund – Mr. Brumberger asked the Board to approve the Vanguard Fund for CBf. Dr. Croasdale stated that the fund is performing nicely. A motion to accept the Vanguard Fund was unanimously approved.

9. WaytogoRI.org – Ms. Sisson stated that she is collaborating with the College Planning Center and at the next board meeting she will provide an update.

There being no further business to come before the Board of Director's, the meeting adjourned.

Adjournment was at 11:20 a.m.

Mr. John Howell
Secretary